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Cary Lee Bates

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EXAMINER

VU, NGOC K

IBM CORPORATION, INTELLECTUAL PROPERTY LAW
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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/749,106
Filing Date: December 27, 2000
Appellant(s): BATES ET AL.

MAILED

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Technology Center 2600

Gero G. McClellan
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed June 26, 2006 appealing from the Office action mailed December 27, 2005.

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(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,769,127 B1 (Bonomi et al.) 27 July 2004

6,269,343 B1 (Pallakoff) 31 July 2001

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-4 and 6-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bonomi et al. (US 6,769,127 B1) in view of Pallakoff (US 6,269,343 B1).

Regarding claim 15, Bonomi teaches a system for transmitting programs to subscribers, comprising:

a database (within media management unit) containing subscriber groups each (see figures 7A & 8C; col. 24, lines 56-67);

a programming provider system (704 & 708) connected to the database and configured to:

receive, via a network communication, purchase orders for programs (i.e., video on demand) from a plurality of subscribers (110 in figure 1A, client machine in figure 3A) (see col. 23, lines 40-45; col. 23, lines 51-53);

determine a price for each purchase order (e.g., \$6.95 for each purchase order of movie "American Beauty" – see figure 15F), wherein each subscriber belonging to the subscriber group maintains an independent account with the programming provider whereby the subscriber pays the programming provider in order to receive paid for programming (see col. 23, lines 36-40 and 47-50; col. 35, lines 1-22), and wherein each subscriber may elect to purchase or not purchase the program (as illustrated in figure 15F).

Bonomi does not explicitly teach determining a lower price for purchase order if the program has been purchased by a threshold number of subscribers belonging to the subscriber

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group. However, Pallakoff discloses that a system suggests the current users to tell their friends or other users about the offer in order to get more buyers to join the buying group. For example, the system sends a message "We just need 5 more people to join the Buying Team in order get the soccer balls for only \$10 each. Tell your friends!" to the users (see col. 10, lines 43-56). That is, Pallakoff teaches determining a group discount price that requires a certain number of buyers must have joined the group and purchase the product/service. Pallakoff further teaches that sellers could offer a special price if enough people agree to purchase exactly 500 units of a given item. Sellers could offer a special price if potential buyers agree to purchase at least 500 units if the deal goes through (see col. 11, lines 15-24). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Bonomi by enticing people to join in the buying group for offering a special price as taught by Pallakoff in order to provide an effective way for conducting a marketing transaction.

Regarding claim 16, Bonomi teaches that the programming provider is at least one of cable provider and a satellite provider (see col. 11, lines 35-37).

Regarding claim 17, Bonomi teaches that the programming provider is connected to the plurality of subscribers by a network connection (see col. 8, lines 51-54).

Regarding claim 18, Bonomi teaches that the programs are view on-demand program (see col. 6, lines 31-33).

Regarding claim 19, Bonomi teaches that the programs are movie (see col. 35, lines 3-6).

Regarding claim 20, Bonomi teaches that the programs are entertainment events, e.g., movie, news...etc (see col. 35, lines 3-6).

Regarding claim 21, Bonomi teaches that the programs are transmitted at a predetermined time (scheduled) (see col. 7, lines 63-66).

Claim 1 recites similar limitations of claim 15, accordingly, claim 1 is rejected for the same reason as addressed. See rejection of claim 15 above.

Regarding claim 2, the combined teachings of Bonomi and Pallakoff include executing a pricing program (Bonomi: within 204 – see figure 7A; Pallakoff: within 13b in figure 1) for determining prices.

Regarding claim 3, Bonomi teaches preparing and sending an invoice to the subscribers for the program (see col. 32, lines 33-54).

Regarding claim 4, Bonomi as modified by Pallakoff teaches that threshold number of subscriber/buyers is greater than one (i.e., at least 5) and is some portion of all the subscribers/buyers of the subscriber group (see Pallakoff: col. 10, lines 46-49).

Regarding claim 6, the combined teachings of Bonomi and Pallakoff include providing, via a network communication, to the subscriber prior to the subscriber purchasing the program/product (see Bonomi: figure 15F; Pallakoff: col. 10, lines 46-49).

Regarding claim 7, Bonomi teaches that the purchase order indicates an intent of the subscriber to view the program at a future time (see figure 15F).

Regarding claim 8, Bonomi as modified by Pallakoff further teaches notifying at least one other subscriber in the subscriber group of the purchase order (see Pallakoff: col. 10, lines 49-56).

Regarding claims 9 and 10, Bonomi as modified by Pallakoff teaches receiving an electronic message indicating an intent of the subscriber to purchase the program and notifying, via a network communication (i.e., email) at least other subscriber in the subscriber group of the intent (see Pallakoff: col. 10, lines 43-49).

Regarding claims 11 and 12, Bonomi further teaches determining the price and determining whether the subscriber belongs to the subscriber group comprises accessing a subscriber database (see col. 37, lines 50-53 and figures 9A-9D).

Regarding claims 13 and 14, Bonomi further teaches processing a request to initiate a network dialog session with at least one other subscriber in the subscriber group, i.e., chat, and handling messages sent between subscribers participating in the network dialog session (see col. 33, lines 30-38).

Regarding claim 22, Bonomi teaches a system, comprising:

a plurality of signal processing units (110 in figure 1A, client machines in figures 1B & 3A) each associated with one of a plurality of subscribers, wherein the plurality of subscribers make up subscriber groups each including at least two subscribers; and programming provider system (704 & 708) connected to the signal processing units (see figure 7A) and configured to:

transmit fee-based programming events (on-demand programs) to the signal processing units (see col. 7, lines 63-66); and

determine a price for each purchase order (e.g., \$6.95 for each purchase order of movie "American Beauty" – see figure 15F), wherein each subscriber belonging to the subscriber group maintains an independent account with the programming provider whereby the subscriber pays the programming provider in order to receive paid for programming (see col. 23, lines 36-40 and 47-50; col. 35, lines 1-22), and wherein each subscriber may elect to purchase or not purchase the program (as illustrated in figure 15F).

Bonomi does not explicitly teach determining a price for each programming event according to a number of purchase orders for the same programming event received from subscribers belonging to a same subscriber group, wherein the price decreases in proportion to increasing orders from different subscribers belonging to the same subscriber group as recited

in claim 22; and Bonomi does not explicitly teach determining a price for each purchase order if more than a threshold number of subscriber purchasing the same program belong to a common subscriber group further recited in claim 23.

However, Pallakoff discloses that a system suggests the current users to tell their friends or other users about the offer in order to get more buyers to join the buying group. For example, the system sends a message "We just need 5 more people to join the Buying Team in order get the soccer balls for only \$10 each. Tell your friends!" to the users (see col. 10, lines 43-56). That is, Pallakoff teaches determining a group discount price that requires a certain number of buyers must have joined the group and purchase the product/service. Pallakoff further teaches that sellers could offer a special price if enough people agree to purchase exactly 500 units of a given item. Sellers could offer a special price if potential buyers agree to purchase at least 500 units if the deal goes through (see col. 11, lines 15-24). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Bonomi by enticing people to join in the buying group for offering a special price as taught by Pallakoff in order to provide an effective way for conducting a marketing transaction.

Regarding claim 24, Bonomi teaches that the system comprises a database accessible by the programming provider system and containing a subscriber identifier (customer ID) for each of the plurality of subscribers and a subscriber group identifier (switch port ID) for each subscriber group (see figures 13A-B).

Regarding claim 25, Bonomi teaches that the plurality of signal processing units are configured to communicate messages via a communication network (see figures 1B & 3A).

Claim 26, see rejection of claim 16 above.

Claim 27, see rejection of claim 17 above.

Claim 28, see rejection of claim 18 above.

Claim 29, see rejection of claim 19 above.

Regarding claims 30 and 31, Bonomi as modified by Pallakoff teaches that the system sends emails to users to invite more people to join the Buying Team in order to get a special rate for product/service. The email contains the message "Tell your friends". This information can be displayed on any web page where the offers is displayed so that the people can type their friends email addresses to send an email message telling them about the offer and telling them how to join the Buying group (see col. 10, lines 46-56).

Allowable Subject Matter

Claim 5 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

(10) Response to Argument

With respect to claims 1 and 15, appellants argue that Pallakoff does not describe "determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the subscriber group and determining a second price, higher than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the subscriber group." (See Appeal Brief: page 11, last paragraph). This argument is not persuasive.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

It is noted that the Bonomi reference discloses a multimedia delivery system for delivering media on-demand to subscribers over networks. Specifically, an administrator of the system controls program scheduling, rates, service packages, control billing, transaction monitoring, and customer relations. (See abstract; col. 2, lines 31-43). When a subscriber of the media system requests to receive a video-on-demand program, that subscriber must be charged for the requested program. Particularly, a menu of media on-demand service is presented to subscriber "John Smith" including a list of movie titles 1556. When one of the titles is selected, e.g., movie 20, a price banner 1558 is displayed to inform the subscriber of the cost is to view the selected title and permits the subscriber to make a final decision (see figure 15F). From this view, the price for movie 20 (e.g., \$6.95) is a regular price. Bonomi does not disclose the feature of a discounted price or a lower price for purchase order if the program has been purchased by a threshold number of subscribers belonging to a subscriber group.

Pallakoff teaches allowing sellers to communicate conditional offers to potential buyers, wherein the conditions include prices that depend on the aggregate amount of goods or services that buyers collectively agree to purchase by a give time and date (see abstract). The buyers includes terminals which can be WebTVs, Interactive TVs to be used by sellers to access the system's controller over a network, so sellers can specify offers of goods and/or services (see col. 3, lines 5-10). Specifically, Pallakoff discloses that the system notifies the current Buying Group members that they should tell their friends and family about the offer in order to get more Buyers to join the Buying Group. For instance, the system sends a message stating "We need 5 more people to join the Buying Team in order to get the Soccer Balls for only \$10 each. Tell your friends." (See col. 10, lines 43-50). In other words, Pallakoff teaches the feature of a discounted price according to a threshold number of buyers. From this view, the

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threshold number of buyers must be an actual number of buyers in the Buying Group plus 5, for example, "X" + 5 = threshold number of buyers.

It is further noted that sellers could specify different types of thresholds in the teaching of Pallakoff. Specifically, sellers could offer a special price if enough people agree to purchase exactly 500 units of a given item. Sellers could offer a special price if potential buyers agree to purchase at least 500 units if the deal goes through. (See col. 11, lines 15-24). In this case, the system of Pallakoff determines a special price for an item when the system gets enough buyers who agree to purchase the item. Accordingly, the system of Pallakoff provides a special price or a discounted price for purchase order if the item has been purchased by a threshold number of buyers.

Appellants further argue "In Pallakoff, to become a member of the Buying Team, a customer must actually purchase an item, thereby affecting the aggregate demand for units sold. In contrast, the pending claims indicate that 'each subscriber belonging to the subscriber group may elect to purchase or not purchase the program.'" (Emphasis added). Examiner respectfully disagrees.

In response, the limitation of the claims 1 and 15 does not require the feature "each subscriber belonging to the subscriber group may elect not purchase the program" because of the term "or".

With further respect to claims 1, 15, and 22, appellants assert that Bonomi does not teach "a subscriber belonging to a subscriber group defined by two or more subscribers, wherein each subscriber belonging to the subscriber group maintain an independent account with the programming provider..." (See Appeal Brief: page 13, second paragraph). This argument is not persuasive.

The term “a subscriber group” is simply recited in the claims 1, 15, and 22 as “two or more subscribers” or “at least two subscribers”. Similarly, the media system of Bonomi comprises a plurality of subscribers. Accordingly, the plurality of subscribers encompasses “a subscriber group”. For example, a list of customers (see figure 12A) comprises “a subscriber group” defined by two or more customers. Bonomi further shows that a subscriber (by name Li Liu) has an account with the media system (see Account information on the right side of figure 12A). In another example, a “subscriber group” is a family, wherein each member in the family may have a separated account to access to a certain service or full services. Namely, a subscriber with an adult account can access full services while a subscriber with a minor account is permitted to access limited services, i.e., a minor receives only programs that are appropriate to his/her age. (See col. 36, lines 16-38). Thus, Bomoni clearly teaches the features “a subscriber belonging to a subscriber group defined by two or more subscribers, wherein each subscriber belonging to the subscriber group maintain an independent account with the programming provider...”

Thus, claims 1, 15, and 22 are not patentable for the above reasons.

With respect to claims 2-4, 6-14, 16-21, and 23-31, all responses presented above regarding claims 1, 15, and 22 are also applicable to claims 2-4, 6-14, 16-21, and 23-31 and are incorporated herein. Thus, claims 2-4, 6-14, 16-21, and 23-31 are not patentable for at least the same reasons as discussed regarding claims 1, 15, and 22 above.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

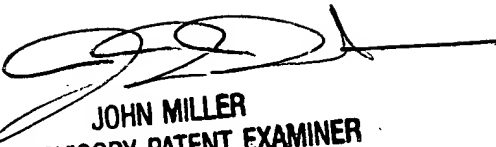
Respectfully submitted,

Art Unit: 2623



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